



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 4
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JAN 20 2005

4APT-APB

Ronald C. Methier, Chief
Air Protection Branch
Environmental Protection Division
Georgia Department of Natural Resources
4244 International Parkway, Suite 120
Atlanta, Georgia 30354

Dear Mr. Methier:

This correspondence is being sent to provide you with an official final copy of the Environmental Protection Agency (EPA) Region 4 report, which was completed as a result of the EPA Title V and New Source Review (NSR) program evaluation conducted on June 14th - 17th, 2004 (see Enclosure). The purpose of this program review was to evaluate the status and the ability of the Georgia Environmental Protection Department (GAEPD) to carry out the duties and responsibilities required to effectively run the Title V and NSR programs, as well as find out how EPA can best assist the GAEPD in meeting these commitments.

I would like to thank you and your staff for your cooperation throughout the evaluation. Your staff responded to the questionnaires and provided all requested material in a timely and professional manner. In addition, I commend you on the performance of both of these programs. Both programs are operating at a very high level of proficiency. These programs are important tools to implement measures protecting air quality for the citizens of Georgia. We appreciate your efforts to ensure that Georgia has effective air programs.

If you or your staff have any questions regarding the report, please do not hesitate to contact Randy Terry of the EPA Region 4 staff at (404) 562-9032.

Sincerely,

Beverly H. Banister
Director
Air, Pesticides and Toxics
Management Division

Enclosure

Georgia Environmental Protection Department Title V and New Source Review Program Review

The U.S. Environmental Protection Agency (EPA) Region 4 committed to conduct detailed title V and New Source Review (NSR) program reviews for all state and local programs that have at least ten title V major sources within their jurisdiction. These evaluations also include a review of the title V fees collected and billed annually. This commitment results from an agreement between the EPA Office of Air and Radiation and the EPA Office of Inspector General which required EPA to conduct title V program evaluations of all state and local programs. EPA Region 4 decided, in addition to title V, to use this opportunity, when applicable, to evaluate the NSR programs at each of the state and local programs. The program reviews are to be completed by the end of Fiscal Year 2006. The Georgia Environmental Protection Department (GAEPD) program review was conducted the week of June 14 through June 17, 2004 in Atlanta, Georgia. Prior to arrival at the Georgia State office, EPA emailed a list of 22 title V sources to GAEPD that EPA planned to review as part of the overall program review. Upon EPA's arrival at GAEPD, EPA spent the afternoon of the first day reviewing the permit files. The following morning, an entrance interview was conducted between EPA and key staff of the GAEPD explaining the program areas Region 4 would be inquiring into during the review. The following parties attended the initial meeting: Randy Terry (EPA Region 4), Brandi Johnson (EPA Region 4), Art Hofmeister (EPA Region 4), Laurie Savoy (EPA Region 4), James Purvis (EPA Region 4), Heather Abrams (GAEPD) and Jimmy Johnston (GAEPD).

Georgia Title V Program Review

1. Program Review

Note - the headings in this section duplicate the headings in the title V program review questionnaire administered during the visit.

A. Title V Permit Preparation and Content

The GAEPD has issued 100 percent of all initial title V permits. GAEPD began to receive permit applications in 1996 and started processing them in 1997 in the order in which the applications were received. During the early stages of issuing permits, GAEPD was delayed issuing permits until EPA White Papers on application and permit content were completed. Once these white papers were received, GAEPD was able to process the applications in a timely manner. At the beginning of each application review, GAEPD sent a letter to each source requesting an updated application. The GAEPD estimated that more than 50 percent of its initial permit applicants submitted updated information. In order to ensure compliance with permit conditions, permit writers worked closely with compliance staff to determine if any compliance issues existed. Section 11.10 of the permit application allows the facility to self-report non-compliance. Anything reported in this section was resolved prior to the permit being drafted. Where it was determined that a facility was out of compliance, the GAEPD included specific milestones and dates in the permit to return the facility to compliance.

To improve their permit writing and processing time, GAEPD developed a procedures document that outlines procession procedures, renewal procedures, and modification procedures. In addition, GAEPD conducted staff training on procedures (formal and periodic) and has made it accessible on their shared drive. To ensure quality assurance, GAEPD incorporated an internal review process with industrial source monitoring and compliance staff. Once the internal reviews are complete, the package is submitted to program management for review prior to sending the permit to the facility for public noticing. The facility is then provided with an opportunity to review their permit during the draft stages. GAEPD will make modifications to the permit if the facility notifies GAEPD of any significant problems discovered during their review.

GAEPD has made multiple specific efforts to streamline their permits. To the extent possible, permit writers clearly specify the most stringent requirements in their entirety within the permit. If multiple standards apply to a unit for the same pollutant (particularly those that are expressed in the same unit), only the most stringent is included. The regulatory citation would include the less stringent standards and identify them as "subsumed." This is a routine part of the permitting process and when such happens, it is documented in the permit narrative. In addition, GAEPD prefers paraphrasing the federal standard method when possible, and include within the permit a reference to where the full requirement is located.

GAEPD uses their permit narrative as the statement of basis. This document contains all the justifications for the permit conditions. GAEPD works to ensure that each statement of basis

explains, at a minimum, the rationale for monitoring as well as applicability decisions and any exemptions. In order to ensure consistency in developing the statement of basis, the GAEPD has developed a boiler plate document for the staff to follow when completing a permit narrative.

In discussing the overall strengths and weakness of the format of title V permits, GAEPD believes that the technical completeness, readability and enforceability are strengths of the program. No weaknesses were noted by GAEPD.

B. General Permits

GAEPD does not issue general permits.

C. Monitoring

In order to ensure that its operating permits contain adequate monitoring, GAEPD permit writers make this determination on a case-by-case basis. Their recommendation is then reviewed and comments are provided by the testing/monitoring staff. EPA's Periodic Monitoring guidance may be used as a reference tool, as well as past performance test data on the source, or a similar source. To ensure that the permit writers are well prepared to make the case-by-case monitoring decisions, GAEPD, in addition to conducting in-house training on an as needed basis, has been an active participant in EPA sponsored training. GAEPD has also been very aggressive in including additional monitoring requirements. Of the initial permits issued, every permit with monitoring requirements, other than MACT, had additional monitoring included. If monitoring is not required by the underlying requirements, then monitoring is added, when appropriate, to any emission unit that has a reasonable chance of violating the underlying requirement. GAEPD has noticed that there has been significant improvement in source compliance since the addition of monitoring to the permits.

D. Public Participation and Affected State Review

GAEPD does not publish any notices of draft title V permits. In Georgia, it is the permittee's responsibility to publish the public notice at their expense. Permittees are required to publish the public notice in the "legal organ for the affected area." However, GAEPD does utilize both the internet and a list server as means for notifying the public of permits, but does not consider these as official methods of notifying the public. In addition, GAEPD maintains a mailing list to notify any persons interested in title V permits. Anyone interested in being on this mailing list can submit a request, by phone, email, or mail to the Air Protection Branch, to be included. There is no fee charged for inclusion. Persons on the mailing list receive notification of GAEPD's intent to issue a permit. Anyone wishing to make copies of a specific permit can come to the GAEPD Air Protection offices and have copies made. The first 25 pages are free of charge. Every additional page copied is billed at a rate of 10 cents per page. The only exceptions GAEPD currently allows are for sources that request a copy of its permit or when a state requests a copy of a source permit.

During the public comment period, the public can obtain permit related information, such as the permit applications, draft permits, and statement of basis, either from the GAEPD website or

visit the air branch office to review the files. In the event that the application is not submitted electronically, a hard copy of the application is made available at the county courthouse or the GAEPD district office nearest to the source. The GAEPD currently has no statutory requirements to reach out to any specific communities beyond the standard public notification process and does not provide notices in any language other than English.

On the occasions that GAEPD has been asked by the public to extend the public comment period they generally have not granted extensions because Georgia regulations do not include provisions for extending the public comment period. However, although they do not extend the comment period, GAEPD does respond to comments received after the comment period has expired. In addition, GAEPD utilizes an Outreach and Public Marketing section to assist them in all public relations on the permits. GAEPD has received public comments on approximately sixteen percent of the permits issued throughout the State and revised approximately two percent due to public comments. GAEPD noticed a significant increase in the number of public comments submitted on title V permits following the EPA title V training conducted in December 2000. The vast majority of these comments have been submitted by one organization and their attorney. Specific communities, such as environmental justice communities, have been active in commenting on GAEPD's permits. In the event that a permit receives comments that result in a significant change to the draft permit, then that permit is re-noticed. In order to ensure quality permits, GAEPD works with the permittees prior to public noticing the permit. GAEPD has noticed no consistent trends in the types of comments received on permits and has found that permits can generally be issued in a timely manner.

GAEPD's procedure for notifying affected states of draft permits consists of sending an email to every state adjacent to Georgia. GAEPD notifies the Eastern Band of Cherokee Indians when draft permits are open for comment. To date, the GAEPD has not received comments from any affected states or Tribes.

E. Permit Issuance/ Revision/ Renewal

One hundred percent of GAEPD's initial title V permits have been issued. GAEPD has, on average, taken between 120 and 150 days to process all permits. The permits are processed on a first in, first out basis with no regard to the complexity of the revision. GAEPD is working towards a goal of 90 days to complete a permit revision.

On occasion, GAEPD has exceeded the part 70 time frames for permit issuance (18 months for significant revisions, 90 days for the minor permit revisions and 60 days for the administrative revisions). The main cause of these delays is due to the backlog created from the processing of the initial title V permits. In order to streamline the issuance of these revised permits, GAEPD now references previous narratives, combines multiple revisions for a singular source into one revision and paraphrases the applicable regulations when possible. In addition, GAEPD now utilizes a database to track all permit revisions to completion, as they move through the system. GAEPD has developed a guidance document used by permit writers, consultants, and permittees to assist in evaluating whether a proposed revision qualifies as an administrative amendment, off-permit change, significant or minor permit revision or whether it requires that the permit be reopened.

GAEPD is currently in the process of issuing title V permit renewals and has established a schedule of 18 months from application receipt to proposal of the permit. Overall, GAEPD believes that with its staff and training plan, it has crested the learning curve for title V and most of its initial problems have been solved. In addition, with the exception of processing Compliance Assurance Monitoring (CAM) plans, the renewal process has been much faster. The vast majority of the renewal applications submitted have been timely and complete. At the time of the program review, GAEPD had received a total of ninety (90) renewal applications. Of these submittals, 88 have been deemed timely and complete.

F. Compliance

Georgia requires all title V deviation reports to be certified by a responsible official and included at the time of submittal. GAEPD requires only violations of the permit terms to be reported as deviations and requires that written reports must be submitted for deviations. Phone calls to report deviations are not required and do not meet the requirements of this provision. Each deviation report must contain the probable cause of the deviation, any corrective actions taken and the magnitude and duration of the deviation. Following the receipt of a deviation report that is not accurate, GAEPD gives the source 30 days in which the facility can submit a corrected report and then seeks enforcement actions for any sources that report late. An example would be if a facility signed their annual certification saying there were no noncompliance issues, but a Notice of Violation (NOV) had been sent to the facility during the year. GAEPD would request the certification be changed to indicate the NOV. GAEPD also takes enforcement actions for all violations reported.

GAEPD has developed a compliance certification form, consistent with GAEPD regulations, and based on whether compliance is continuous or intermittent. The compliance form is required for use by all sources and has been utilized by 99 percent of all sources reporting. The form requires each source to specify the monitoring method used to determine compliance where there are options for monitoring, including which method was used in cases where more than one method exist.

G. Resources and Internal Management Support

GAEPD's current title V fee rate is \$32.50 per ton of pollutant. Their title V expenses are tracked using a separate budget for title V and non-title V expenses. GAEPD's title V revenue from each source is mailed into a lockbox and separated out from the other revenue. GAEPD then receives a report on the amount of title V revenue received. Despite the separate budgets for title V and non-title V revenues, both are currently stored in the same bank account. However, GAEPD has a database that tracks the amount of revenue received from each source. GAEPD must provide a better accounting demonstration of the utilization of title V funds. An informal survey which is several years old was provided by GAEPD and indicates that approximately 83 percent of their employees work time is dedicated to issues related to title V and 17 percent related to other activities. A financial breakdown of the bank account shows that approximately 88 percent of the monies contributed to the account are title V monies and 12 percent are from other sources. EPA believes that this is not an adequate demonstration that title V monies are

being utilized only for title V activities. After conversations with GAEPD, EPA was informed that a separate account was available to house title V revenue. EPA stressed to GAEPD the importance of having their title V funds contained in a separate account and GAEPD is planning to switch their title V funds into this account as soon as feasible.

- Since the program evaluation, GAEPD has informed EPA that they believe a separate account to contain only title V revenue was not feasible because it would be difficult for facility owners to send payments to multiple lockboxes in order to pay the necessary fees for their facility. GAEPD is able to track all title V fees from the non-title V fees using the database. Additionally, GAEPD has separate budget codes for all fund sources in order to track the various expenditures per source.

GAEPD currently employs 28 full-time equivalent (FTE) permit writers and has approval to increase that number to 35. These permit writers do not work 100 percent of the time on title V permits. Their additional job responsibilities include time devoted to minor and major NSR, synthetic minors, permit by rule, and emission reduction credits. In order to accurately identify the time allocated to title V activities, GAEPD needs to utilize some form of tracking software or, at a minimum, they must conduct an annual survey of the permit writers on the amount of time devoted to title V and non-title V activities.

GAEPD has recently experienced a very high turnover rate, which has had an adverse impact on permit renewal issuance. The process to hire replacement staff is a lengthy process. It takes an average of two months to get permission to advertise positions deemed critical. Recent hires have been a mixture of recent college graduates and older, more experienced employees. GAEPD's salary structure is designed to allow them to offer competitive salaries with other State agencies to retain employees, but less than the salaries offered by private industry or federal employment. The salary structure does not allow for adjustments of current staff salaries. Therefore, new hires can often earn more in two years than GAEPD's more experienced staff. This has led, in some cases, to staff turnover. GAEPD provides many opportunities for staff to obtain key training throughout the year. These training activities include courses provided internally by GAEPD and by EPA. To better facilitate the learning experience, each new permit writer is assigned a mentor to provide additional assistance. GAEPD has also developed a narrative template for each permit writer to utilize to ensure that all the necessary components are contained within their statements of basis. GAEPD strongly believes that the two biggest internal roadblocks to permit issuance has been: 1) a low pay scale, which creates a high staff turnover, causing GAEPD to have a hard time holding on to institutional knowledge; and 2) the lack of enough staff to handle the backlog.

Georgia does not currently have environmental justice (EJ) legislation, policy or general guidance which would help to direct their permitting efforts. GAEPD does not currently provide EJ training to their permit writers, but the Outreach and Marketing Unit does undergo EJ training.

H. Suggested Improvements

GAEPD must provide a better accounting demonstration of the utilization of title V funds. As

noted above, GAEPD uses a singular account to hold title V monies and synthetic minor fees. The only available survey indicates that the monies are not spent in the same relative percentage as the permit engineers time is used (i.e, 83 and 17 percent vs 88 and 12 percent). EPA believes that this is not an adequate demonstration that title V monies are being utilized only for title V activities.

- Since the program evaluation, GAEPD has agreed to look into a better accounting mechanism for tracking their title V fees. In addition to the accounting procedures, GAEPD will investigate a tracking method in order to better track the amount of time each staff member spends on title V work versus non-title V work.

2. Permit Reviews

EPA reviewed the contents of 16 title V permit files and found that, in general, all of the required components of the official file records were present, easily identified and well maintained.

Georgia New Source Review Program Review

GAEPD has a SIP-approved NSR program with its own NSR rules. GAEPD therefore has authority to issue both major and minor NSR permits. Because there has been an ozone nonattainment area in Georgia in recent years, the applicable major NSR permitting regulations are the regulations for prevention of significant deterioration (PSD) and the nonattainment NSR regulations.

GAEPD's organizational structure for air permitting comprises the central office in Atlanta. All major and minor NSR permits are processed in the Atlanta office.

The headings in the following report duplicate the headings in the NSR program review questionnaire administered during the visit.

As an appreciated aid to EPA, GAEPD provided a copy of the program review questionnaire annotated with GAEPD's answers. For many questionnaire items, the answers provided by GAEPD are more detailed than indicated in the summary discussion below. The answered questionnaire from GAEPD will be on file at EPA Region 4 for reference if needed.

As a further introductory note, GAEPD rules incorporate by reference the federal PSD rules in 40 CFR 52.21. Therefore, GAEPD uses the same PSD definitions as EPA used prior to the December 31, 2002 rulemaking.

Region 4 has reviewed virtually all of GAEPD's major NSR permits in recent years, so no major NSR permits were evaluated as part of the on-site review.

1. Common Program Requirements (PSD and Nonattainment NSR)

A. Netting

GAEPD follows appropriate netting procedures. When an application for a modification of an existing major source is received, GAEPD reviews previous permits to assess, for example, which past emissions reductions have already been relied upon for netting purposes. One item in the questionnaire is whether the reviewing agency has a record of projects that use emissions reductions to net out of major new source review. GAEPD indicated that the record is not always clear for older projects. This is not necessarily a problem. However, GAEPD could consider updating the record for older projects at opportune times, for example, when a source that netted out in the past is undergoing a current modification.

B. Routine Maintenance, Repair and Replacement (RMRR)

GAEPD is familiar with the RMRR evaluation approach and has made five formal RMRR determinations in the last five years. EPA provided an official opinion letter to assist in two of these determinations. GAEPD generally follows EPA's four-factor RMRR assessment approach.

Consideration of the "purpose" factor alone would not be used to make an RMRR determination except that GAEPD would probably disqualify a project as routine if the purpose was clearly to increase capacity. GAEPD has on occasion talked with other state reviewing authorities to discuss the "frequency" factor in an RMRR determination.

C. Synthetic Minor Limits

GAEPD maintains a database to track minor source permits. The manager of GAEPD's Stationary Source Permitting Program also keeps a spreadsheet of projects. GAEPD is cognizant of the need for practically enforceable permit conditions, especially major NSR avoidance conditions. A laudable feature of GAEPD's minor source permitting program is the production of a publicly available "narrative" to explain each permit. Many permits, especially those for volatile organic compounds emissions, contain a notification requirement to report monthly trends that, if continued, might lead to exceeding an annual major source/major modification threshold.

D. Pollution Control Projects (PCP) Exclusion

For electric utility steam generating unit (EUSGU) PCP projects, GAEPD's rules incorporate federal PCP exclusion rules by reference. For non-EUSGU PCP projects, GAEPD follows EPA's 1994 guidance on PCP exclusions. (With regard to the 1994 guidance and determining which non-EUSGU PCP projects can be considered environmentally beneficial, GAEPD expressed an interest in receiving additional direction from EPA.) When granting a PCP exclusion, GAEPD prefers that emissions decreases should be much higher than collateral emissions increases. Collateral increases of toxic air pollutants not regulated by NSR rules are evaluated using GAEPD's "Guideline for Ambient Impact Assessment of Toxic Air Pollutant Emissions." Most of the PCP exclusions granted by GAEPD have been for combustion of hazardous air pollutants at pulp and paper mills to comply with the pulp and paper industry hazardous air pollutant cluster rule.

E. Fugitive Emissions

GAEPD uses the federal rule definition of fugitive emissions. Fugitive emissions are considered in NSR applicability assessments for both new sources and modifications of existing sources, but only if the source is in one of the listed source categories. GAEPD would allow reductions in fugitive emissions to be creditable in a netting analysis only if the fugitive emissions are quantifiable and if fugitive emissions count toward NSR applicability.

F. Modeling

GAEPD generally follows the modeling procedures in 40 CFR part 51, Appendix W. Modeling is performed for PSD permits and PCP exclusions. The need for modeling of minor sources is determined on a case-by-case basis.

GAEPD requires applicants to submit a modeling protocol for PSD permit applications. Meteorological data required for modeling are specified by GAEPD.

Emission source inventories for modeling are obtained from AIRS and PSD databases, supplemented by file reviews as needed. A PSD inventory is maintained on GAEPD's website. Modeled emissions are generally allowable emissions except that actual emissions are accepted if use of allowable emissions produces exceedances of a PSD increment.

GAEPD typically performs its own modeling to confirm that worst-case modeling results have been obtained.

If modeling demonstrates a violation of an ambient standard or a PSD increment but the applicant's units are not a significant contributor to the violation, GAEPD will grant a permit for the applicant's project. GAEPD would then contact owners of sources having a significant contribution to seek resolution of the modeled violation. This has occurred in some instances.

Assessment of toxic air pollutants not regulated by NSR rules is conducted based on GAEPD's "Guideline for Ambient Impact Assessment of Toxic Air Pollutant Emissions."

G. Stationary Source Determinations

If the separation distance between two facilities is greater than 20 miles, GAEPD considers the two facilities to be separate sources. For separation distances of less than 20 miles, a case-by-case single source determination is made. Regarding the single source determination criterion of same industrial grouping, GAEPD would consider the support relationship between two facilities as well as the SIC code of the facilities.

H. Debottlenecking and Increased Utilization

GAEPD takes into account debottlenecking and increased utilization when assessing emissions increases for major NSR applicability purposes. GAEPD follows EPA's policy of calculating actual-to-potential emissions increases for debottlenecked units and project-generated incremental emissions increases for increased utilization units.

- GAEPD expressed an interest in obtaining additional guidance from EPA on debottlenecking and increased utilization.

I. Relaxation of Limits Taken to Avoid Major NSR

GAEPD's title V operating permits now identify conditions imposed for major NSR avoidance purposes. This procedure simplifies identification of possible relaxation actions. GAEPD indicated that it has started including such identification conditions in construction permits as well as in operating permits.

- Questions often arise about the so-called "one time doubling" or "second bite at the apple" policy. This is the policy that under some circumstances an existing minor source can have an increase in emissions up to the PSD major source threshold (100 tpy or 250 tpy depending on source category) without triggering PSD review. EPA explained that

this applies only when, say, a new process line is being added to an existing source. It does not apply to modifications of existing operations/equipment at the source. EPA recommends that GAEPD check to make sure that the policy is being used correctly.

J. Circumvention/Aggregation Issues

In attainment areas, GAEPD checks to assess whether modifications taking place close in time might be part of the same project. Clarification is sought from the source owner if needed. In the Atlanta 1-hour severe (previously serious) ozone nonattainment area, cumulative nitrogen oxides and volatile organic compounds emissions over a five-year period must be assessed for major modification NSR applicability.

2. Prevention of Significant Deterioration (PSD)

A. Program Benefits Quantification

Although GAEPD has not quantified the air quality benefits of the PSD program, they believe that such benefits have occurred through both the issuance of PSD permits and permits issued to avoid PSD permit review. PSD permits require the use of BACT controls, which are frequently more stringent than required under other Federal and State regulations. PSD permitting has helped to ensure that compliance with the National Ambient Air Quality Standards (NAAQS) is maintained and to reduce air quality degradation (i.e., increment consumption) for areas in compliance with the NAAQS through the PSD air quality modeling requirements. GAEPD further believes that air quality benefits as significant as those achieved through PSD permitting have been achieved through the avoidance of PSD permitting requirements. It is common for facilities to install less polluting processes or air pollution control equipment than would otherwise be required through state and Federal requirements in order to keep emissions below the PSD major source threshold or, for existing major sources, to keep emissions increases from facility upgrades and expansions below the major modification thresholds. Since Georgia issues several dozen "synthetic minor" PSD avoidance permits per year compared to less than a dozen PSD permits per year, the emissions avoided from synthetic minor permitting is believed to be substantial.

B. Best Available Control Technology (BACT)

GAEPD requires use of the top-down procedure. Information sources for identification of possible control options include EPA references and GAEPD's own extensive PSD permitting experience.

If a cost evaluation is included as part of a PSD best available control technology (BACT) evaluation, the usual cost value calculated is "cost effectiveness" - dollars per ton of pollutant removed. The tons removed value is calculated with reference to a baseline "uncontrolled" emission rate. GAEPD stated that it accepts as baseline an emissions rate equal to an applicable emissions standard such as a federal new source performance standards (NSPS). However, the

guidance in EPA's "New Source Review Workshop Manual" is that requirements such as NSPS requirements "are not considered in calculating the baseline emissions."

- EPA recommends further discussion with GAEPD on this point.

To establish compliance averaging times for BACT emissions limits, GAEPD generally uses the reference test method averaging period for a particular pollutant. Previous permit precedents are also taken into account.

GAEPD generally expects applicants to follow EPA procedures for BACT cost evaluations. However, a different approach may be accepted if considered more relevant. Total cost effectiveness is given primary consideration in a BACT cost evaluation. If the applicant's BACT cost evaluation is clearly deficient, GAEPD might perform its own independent evaluation if cost data are readily available.

GAEPD is aware that each BACT determination should be entered in EPA's RACT/BACT/LAER Clearinghouse (RBLC). GAEPD stated that it currently has a backlog of about 20 determinations that need to be added to the RBLC.

- EPA encourages GAEPD to eliminate this backlog as soon as practicable.

C. Class I Area Protection for PSD Sources

GAEPD requires PSD permit applicants to consult with the appropriate federal land manager (FLM) for projects located within 200 km of a Class I area. Applicants of large-emission projects located more than 200 km from the nearest Class I area also may be required to consult with the FLM. If the applicant does not send a copy of the permit application to the Class I area FLM when a Class I area impact analysis is indicated, GAEPD will do so. GAEPD also sends to the FLM copies of preliminary and final determinations and other pertinent documents. In many cases, GAEPD contacts the FLM by telephone early in the permitting process. Applicants are encouraged to work directly with the FLM when appropriate.

D. Additional Impacts - Soils, Vegetation, Visibility, Growth

GAEPD does not specify exact procedures for assessing additional impacts. Regarding vegetation impacts, GAEPD assumes that compliance with the primary and secondary national ambient air quality standards is generally adequate for vegetation protection.

E. Pre-construction Monitoring

GAEPD allows use of data from state-operated ambient air quality monitoring stations to satisfy pre-construction monitoring requirements if applicable. Post-construction monitoring has never been required.

F. Increment Tracking Procedures

Baseline dates are county-specific. Minor source baseline dates are listed in an internal directory for access by GAEPD personnel. GAEPD maintains an inventory of increment-consuming sources but does not track increment consumption. The emission source inventory generally shows allowable emission rates. For projects located near another state, permit applicants must obtain emissions information for that state's sources directly from the state permitting agency.

G. Endangered Species Act (ESA)

GAEPD has a SIP-approved NSR permitting program. ESA requirements are not applicable.

3. Nonattainment NSR

A. Program Benefits

GAEPD believes that the nonattainment NSR program provides an incentive to reduce emissions. The agency has never had to issue a major NSR permit in the Atlanta ozone nonattainment area, the Georgia nonattainment area that has been in existence for the longest period of time.

B. NSR Offsets

GAEPD has an emissions offset bank for the Atlanta 1-hour ozone nonattainment area. GAEPD validates proposed emission reduction credits (ERCs) and issues an ERC certificate when validated. ERCs never expire but are discounted after 10 years (to an amount no less than 50 percent of the original credit). Banked ERCs can be used as offsets within the nonattainment area or to satisfy BACT/offset requirements for the contributing area outside the nonattainment area.

GAEPD carefully tracks use of ERCs in the bank, including verification that ERCs are surplus when used. For emissions reductions that are not in the bank, however, GAEPD indicated that tracking is not as standardized as the tracking of banked ERCs and that a more formal procedure might be advisable for tracking use of emissions reductions generated outside the bank.

Banked ERCs are removed from the bank when used. Proposed offsets not obtained from banked ERCs are evaluated on a case-by-case basis to confirm that they were not used in a previous permit.

C. LAER Determinations

GAEPD has not yet had to issue a major nonattainment NSR permit and therefore has not yet had to apply specific LAER determination procedures.

D. Alternatives Analysis

GAEPD has not yet had to issue a major nonattainment NSR permit and therefore has not yet had to apply specific procedures for an alternatives analysis.

E. Compliance of Other Major Sources in the State

GAEPD has not yet had to issue a major nonattainment NSR permit. The requirement to certify compliance for other major sources in the state is part of GAEPD's nonattainment area NSR rules.

4. Minor NSR Programs

A. NAAQS/Increment Protection

Minor sources typically do not have to be modeled individually. GAEPD's Data & Modeling Unit periodically reviews permit files to identify minor sources that consume increment. These sources are entered into a spreadsheet suitable for modeling if needed. Major PSD-increment consuming sources are listed on a publicly available website.

B. Control Requirements

GAEPD does not have a minor source BACT requirement except for sources of volatile organic compounds and nitrogen oxides that are defined as major because of their location in the Atlanta ozone nonattainment contributing area but that would be minor if located elsewhere. Georgia's SIP includes emission standards for various source categories.

C. Tracking Synthetic Minor NSR Permits

GAEPD maintains various database lists with information on minor NSR permits. Regulatory requirements avoided by a minor source are identified in the permit or in the permit narrative. Case-by-case prompt deviation notification requirements are specified in a permit, with specific requirements depending on source type.

5. Public Participation

A. Public Notification

GAEPD provides public notice for major NSR permits but not generally for minor permits. Notification is also made through a public advisory mailing list that includes certain local officials plus anyone else who has asked to be on the list. In addition, GAEPD posts information on its publicly available website including preliminary determinations, draft permits, public notices, project summaries, and permit applications for substantive major projects. Affected adjacent states receive notification of projects in writing.

GAEPD does not have a procedure for extending the initial public comment period. However, comments received after the close of the comment period may be considered.

All public comments received are reviewed. GAEPD estimates that less than five percent of draft permits have been changed based on public comments, other than EPA comments. If GAEPD intends to issue a final permit that differs significantly from the original draft permit, a second draft permit may be issued with additional opportunity for public comment.

A public hearing will be held on a draft permit if requested by anyone. Notification of a public hearing is published in a local newspaper at least 30 days in advance of the hearing.

In the discussion of how notifications of draft NSR permits are made (for example, notifications to affected states), there appeared to be some question as to the exact procedures followed. GAEPD and EPA discussed the advisability of having a written checklist for NSR permit processing to make sure that all required notifications have been made.

- Since the program evaluation, GAEPD is developing PSD procedures to ensure that all public notifications are properly made. These procedures will outline the administrative steps necessary to issue a PSD permit. GAEPD believes these procedures will be developed by March of 2005.

B. Environmental Justice (EJ)

EJ considerations for Georgia projects are discussed in the title V program review section elsewhere in this report.

6. Program Staffing and Training Issues

As of the time of the review, GAEPD had 39 staff personnel including administrative personnel, who spend at least part of their time in the NSR program. Personnel training includes a "New Employee Training Program" that covers NSR, title V, SIP content, and administrative matters. EPA training resources and EPA documents (such as the "New Source Review Workshop Manual") are also used for training purposes. GAEPD indicated that additional NSR training by EPA might be helpful.

7. General NSR Program Issues

GAEPD evaluates AP-42 emission factors taking into account the accuracy rating of the factors and the availability of other related emissions information. If use of AP-42 factors indicates emissions rates that are close to an allowed level, GAEPD may require site-specific testing.

During the preceding year, GAEPD issued about six PSD construction permits. During the same period, GAEPD issued about 540 non-major permits. No nonattainment NSR permits were issued.

GAEPD estimates that the average time to issue a PSD permit (from the time an application is deemed complete) is 8 to 14 months.

Condensable particulate matter emissions are included in PSD applicability assessments and for other regulatory purposes.

Providing information to the regulated community enhances compliance with permitting requirements. GAEPD stated that it often provides speakers for various industrial conferences to cover NSR topics (permitting requirements, pollution control projects, etc.). This is a worthwhile practice and EPA recommends its continuation.

8. Effective Construction Permits

Based on EPA Region 4's experience in reviewing GAEPD's PSD permits, GAEPD creates effective construction permits with appropriate permit conditions.

In light of the U.S. Supreme Court decision in *Alaska Department of Environmental Conservation v. EPA et al.*, EPA explained the importance of good information in the public record to explain the basis for NSR permits. EPA commends GAEPD for the information typically included in preliminary determinations for PSD permits and for developing a "narrative" for minor NSR permits.

Conclusion

At the conclusion of the onsite portion of the Title V and NSR program reviews, Region 4 personnel met with key GAEPD officials to conduct an exit interview. During this exit interview Region 4 shared the findings of the review and laid out a timeframe for when the final report would be completed. In addition, Region 4 queried GAEPD about ways to possibly improve the program reviews. GAEPD responded that the evaluation was thorough and had no additional suggestions for improving the evaluations. Personnel in attendance from EPA Region 4 were Randy Terry, James Little, Kay Prince, Katy Forney, and Stan Kukier. GAEPD officials in attendance included Ron Methier, Chief of the Air Protection Branch, Heather Abrams, and Jimmy Johnston.

Overall, EPA believes that GAEPD is operating both the title V and NSR programs at a high level of proficiency and looks forward to working with the GAEPD to address the areas needing improvement in the future.

